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C O N F I D E N T I A L SECTION 01 OF 02 MANAMA 001925

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TAGS: PREL ETRD BA GCC

SUBJECT: GCC SUMMIT: BAHRAIN MFA GIVES UPBEAT READOUT

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Classified By: Ambassador William T. Monroe. Reason: 1.4 (B)(D)

¶11. (C) Summary. Bahrain MFA Minister of State Abdel Ghaffar termed the 25th GCC Summit a "very good and successful event," citing the conclusion several economic agreements aimed at mobility and integration within the GCC as well as the Summit's success in sidestepping Saudi concerns over FTAs. He confirmed that the FTA issue was deferred to the ministerial-level economic and finance committee. All GCC countries (except Saudi Arabia) reaffirmed their determination to press forward with FTAs. The Summit also produced a "Manama Declaration," a Bahrain initiative aimed at highlighting GCC support for continued reform (referencing the Forum for the Future). The GCC established a new secretariat position to help coordinate counterterrorism

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efforts. Abdel Ghaffar highlighted the GCC's support for the upcoming elections in Iraq, and a desire to be helpful in pushing Palestinians and Israelis to the negotiating table. End summary.

¶12. (C) Minister of State for Foreign Affairs Mohammed Abdel Ghaffar, in a December 22 briefing to non-Arab Ambassadors and separately to the Ambassador, gave an upbeat assessment of the just concluded 25th GCC Summit, calling it a "very good and successful" event. Noting that observers had feared that the Bahrain FTA disagreement with Saudi Arabia would topple the Summit, he called the overcoming of that hurdle a success in itself. In terms of practical accomplishments, he cited 11 economic-related agreements, pointing out that at one point there were indications the Saudis would defer discussion on all economic issues because of the FTA dispute.

¶13. (C) On the FTA, Abdel Ghaffar confirmed that, in the end, the Summit neatly sidestepped the issue by referring it to the ministerial-level economic and finance committee without giving a timetable. He said that the Saudis had continued to press on the issue during the December 18 Finance Ministers meeting, but by the Foreign Ministers meeting the next day they seemed to have stepped back, agreeing that if there was no consensus it could be referred to the committee for further study and discussion. Abdel Ghaffar said that the other four GCC countries made perfectly clear their intention to proceed with plans to pursue FTAs with the U.S. He was not expecting the committee to take any measure that would block this.

¶14. (C) Abdel Ghaffar acknowledged that the Bahrainis were bothered and puzzled by the Saudi tactics on the FTA. Why, they wondered, did Prince Saud raise it publicly at an international forum (the December 5-6 IISS conference) rather than wait two weeks and raise it privately at the GCC Finance Ministers meeting on December 18? Bahrain's conclusion: the Saudi message was aimed primarily at the U.S. If true, he said, this is in a way a positive message. Saudi Arabia, watching its GCC neighbors move forward on FTAs, wants U.S. help in speeding up its WTO accession. He said that he did not think Bahrain's relationship with Saudi Arabia, which he called close, deep, and historically interconnected, would be harmed by the dispute over the FTA. "The Saudis want to get into the WTO," he added, "and we hope they will."

¶15. (U) Among the economic-related agreements reached at the Summit, Abdel Ghaffar cited the following:

-- a social insurance scheme that allows GCC citizens working in other countries to continue to receive their insurance coverage from their own country. In his press conference following the Summit, Foreign Minister Shaikh Mohammed called this "one of the most important achievements of the Summit" as it would further facilitate movement of GCC citizens within the GCC. Previously, GCC citizens who moved to another country lost the right to receive social insurance from their own country, a disincentive for labor mobility.

-- a unified ID card (called "smart card") for all CC citizens, also designed to ease the movement of citizens within the GCC. Under this scheme, data such as drivers license, passport, health information, and ID information will be retrievable electronically from the card in any GCC state.

-- a GCC railway network to strengthen transport ties between

GCC countries.

-- a unified industrial law designed to increase cooperation, joint ventures, and productivity in industry.

-- a decision to draft a joint study on the issue of expatriate labor.

16. (U) Abdel Ghaffar also highlighted the "Manama Declaration," issued separately from the Summit communique and described by Abdel Ghaffar as the first declaration issued by the GCC on the question of reform and modernization. He said that this was a Bahraini initiative, designed to show the world that the GCC gives great importance to reform. In the short, four-paragraph document, the GCC countries highlight their determination to continue their work on modernization; reiterate that true democracy cannot be imported but stems from within the history and heritage of the GCC countries; and welcome Bahrain's invitation to host the next meeting of the Forum of the Future in the context of reinforcing concepts of modernization and reform.

17. (C) On international issues, Abdel Ghaffar said that the GCC leaders hoped that the U.S. and Europe would become more active on the Middle East peace process. He said the GCC was keen to contribute in any way to help pave the way for new negotiations between the Israelis and Palestinians. "It is a time when hope is rising," he said, "although continuing violence saddens us." On Iraq, he said the GCC wanted to convey a message of support for the upcoming elections. He said that while the communique did not specifically mention holding the elections as scheduled on January 30, the leaders did believe that it important to keep to that date. There is no guarantee, he said, that slipping the date three or six months will create a better result.

18. (C) Abdul Ghaffar also highlighted the Summit's decision to create a new position at the GCC Secretariat -- assistant secretary for security. The aim is to help the GCC secretary

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general coordinate GCC counterterrorism efforts. Terrorism was one of the most important issues discussed at the Summit, he said, and GCC countries are "very serious about fighting terrorism." Citing the recent attack on the U.S. consulate in Jeddah, he said that GCC countries have been the targets of terrorism and need to work together on this issue.
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